GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3018
ANSWERED ON:02.08.2002
MEASURES FOR REVIVAL OF ECONOMY
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Will the Minister of FINANCE be pleased to state:

(a) whether global economic recovery led by the US is the primary reason for optimism in terms of exports;

(b) if so, whether the survey conducted by the CII shows that therehas been improvement in domestic and export market demand for most sectors; and

(c) if so, the extent in which the economy has improved during the first half of 2002-2003?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRI ANANT G. GEETE)

(a): While the expectation of a gradual global recovery, led by the US, forms the basis for an optimistic export growth outlook, it also takes into account the performance of the external sector during the last financial year as well as an assessment of the trends during the current year within the existing scenario and policy framework.

(b): The latest business outlook survey conducted by the Confederation of Indian Industry (CII) reveals optimistic outlook over the next six months with expectations of a pick up in both domestic as well as export market demand. A sectoral analysis of responses reveal that the sense of optimism cut across all sectors. The survey also indicates that with expectations of an improvement in general business prospects, the respondents are planning to hike production, undertake more investments and add to their workforces.

(c): As per the latest information available for the current financial year, exports (in Dollar terms) have increased by 10.5 per cent during April-May 2002 as against a decline of 2.1 per cent during April-May 2001. Industrial production, infrastructure performance and non food credit offtake from commercial banks have also shown noticeable improvements in the current financial year. Overall industrial growth improved from 2.1 per cent in April-May 2001 to 3.8 per cent in April-May 2002. Six coreand infrastructure industries (electricity generation, coal, steel, crude oil, refinery throughput and cement) have grown by 5.8 per cent in April-June 2002 compared to 1.0 per cent in April-June 2001. Non food credit offtake is also estimated to have grown by 10.4 per cent in the current year so far (March 22 - June 28, 2002) compared with a decline by 0.5 per cent in the same period of the previous year.